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ABSTRACT

The increasing focus of the Council on International Educational Exchange on helping meet the needs of American businesses to be competitive in international markets is discussed in a preface by Barbara B. Burn, noting that the absence of competence on the part of American business in foreign languages and cross-cultural skills and knowledge can seriously hamper performance. Four papers are presented as part of the Council's more active role in the relation to international business and commitment to international educational exchange. They are as follows: (1) "The Globalization of Economic Life" (Paul W. McCracken); (2) "International Business Programs at the University of South Carolina" (Jeffrey A. Arpan); (3) "Thunderbird--American Graduate School of International Management: A Pioneer in International Business Education" (Marshall Geer); and (4) "International Business Education at the Lauder Institute" (Jerry Wind). (SM)

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Hallmarks of Successful International Business Programs

Jeffrey S. Arpan
Marshall Geer
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HE 022 370

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Council on International Educational Exchange

The Council on International Educational Exchange is a private, nonprofit, membership organization, incorporated in the United States with international offices, affiliations, and representation. The Council, founded in 1947 by a small group of organizations active in international education and student travel, was established to restore student exchange after World War II. In its early years the Council chartered ocean liners for transatlantic student sailings, arranged group air travel, and organized orientation programs to prepare students and teachers for educational experiences abroad. Over the years the Council's mandate has broadened dramatically and its activities and programs abroad have spread beyond Europe to Africa, Asia, and Latin America. Today the Council develops and administers a wide variety of study, work, and travel programs for American and international students at the secondary, undergraduate, graduate, and professional levels.

Hallmarks of Successful International Business Programs

August 1988

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Preface

This issue of the Occasional Papers on International Educational Exchange both reflects and illuminates the increasing focus of the Council on helping meet the needs of American business to be competitive in international markets. Although increasing competence on the part of American business in foreign languages and cross-cultural skills and knowledge is certainly no guarantee of success in doing business abroad, its absence can seriously hamper performance.

Acting on this conviction the Council is expanding its business-related programs abroad—in Japan and Spain and one soon to be launched in the People's Republic of China. It is also seeking guidance and support from leaders in the business community in identifying priorities in this area. The National Advisory Council on Business Education, set up by the Council in early 1987 and chaired by Paul W. McCracken, author of the first paper in this publication, is taking a hard look at the need of American business for more international expertise and implications of this for internationalizing business education and expanding study abroad programs.

The Council's more active role in relation to international business is part of its commitment to international educational exchange and ever expanding role in this field. This issue of the Occasional Papers is part of that commitment.

Barbara B. Burn
Chair, Board of Directors,
Council on International Educational Exchange
and Associate Provost for International Programs,
University of Massachusetts

The Globalization of Economic Life

Paul W. McCracken

A recurring theme at almost any conclave of businessmen or economists today is the globalization of economic life. Slow but persisting changes of which we are almost unaware have accumulated to the point that we finally have something quite different. We can see this in the world economy.

In recent decades the volume of world trade has been enlarging at a persistently more rapid rate than world output (both measured in real terms). During the last two decades, for example, world output expanded at the rate of about 3.5 percent per year, but world trade increased five percent per year. With all of the problems that have beset the 1980 s, this general pattern has continued to prevail (although the growth of both world output and world trade has been slower than in the 1960s and 1970s). This persisting growth in the proportion of world output moving across a national boundary on its way to market plus revolutionary advances in information technology—these acting synergetically have brought us close to the one-world economy (at least for the world's liberal, market-oriented economies). Financial markets are always open for business somewhere. The great retail businesses search the world for better buys for their customers. Japanese cars sold in Canada use parts made in the United States or the Federal Republic of Germany. By the beginning of this decade, almost a quarter of this country's output of manufactured products was exported. (Because of the subsequent misalignment of exchange rates, severely overvaluing the dollar, this proportion has now dropped below 20 percent.)

Now this emerging one-world economy seems to be courting the risk of finding itself wedged between irresistible forces and immovable objects. The forces moving toward an internationalization of economic life are clear enough. Yet

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the disequilibria standing athwart this path are also stubborn, and they may prevail.

Although to Europe and Japan there seems to be only one imbalance threatening the international economic order (the U.S. budget deficit), in fact there are four. The U.S. budget deficit is, of course, one. It is a major disturbance, particularly since the proportion of U.S. incomes saved has declined sharply. (People were saving just over seven percent of their after tax income as we moved into this decade; in 1987 it will be three to four percent.) With limited domestic savings, financing the combined credit demands of private borrowing and the Treasury's deficit required attracting a substantial volume of foreign funds. Domestic interest rates had to be high enough to attract these foreign funds, and this flow represented in the first instance a foreign demand for U.S. dollars, with which foreigners could buy U.S. Treasury or other securities or assets. And this all tended to push up sharply the exchange rate of the dollar. The U.S. budget deficit, in short, has tended to elevate domestic interest rates, the exchange rate of the dollar, and thus the trade deficit.

Europe's economic malaise is the second contribution to the problems of the world economy, and a larger one than Europeans themselves are willing to understand. That there is a problem of Eurosclerosis is clear enough. The O.E.C.D. has projected 1987's unemployment rates at 11-12 percent for such countries as France, the U.K., Italy, the Netherlands, and Belgium, and eight percent for the Federal Republic of Germany. These compare poorly with the U.S. performance, and they are three to four times the unemployment rates for those economies in the 1970s and 1960s.

This weak domestic performance has had clearly adverse affects on the world economy. The share of the imports of all industrial nations accounted for by the Federal Republic of Germany, France, Italy, and the U.K. (the "Big Four") has declined during the 1980s, which means reduced exports for other countries. One of these "other countries" is the United States. U.S. exports to Europe in 1986 were 11 percent lower than in 1980. (During those six years our exports to Canada rose 57 percent and to Japan 29 percent.)

The third disequilibrating force in the world economy is the obsessive pursuit of an export led strategy to achieve domestic economic growth. This has, of course, been true of Japan during much of the time since World War II, but that emphasis is now slowly (too slowly) changing. The best evidence is that its trade surplus in real terms is shrinking, and rising domestic demand for output is carrying the load. It is the so-called newly industrialized countries that are causing disproportionate imbalances in the world economy—Hong Kong, Korea, and Taiwan. One set of estimates suggests that the 1987 surplus on the current account for Hong Kong may be roughly $2,000 per capita, and for Taiwan over $1,000* per capita. If the U.S. government were to announce as

a serious objective achieving a current account surplus of these magnitudes, there would be world screams of terror and anger. What these countries face is what ought to be attractive—namely, using more of the fruits of their economic progress to lift material levels of living at home.

Finally, the L.D.C. debt problem overhangs the world economy. "Hanging like the Sword of Damocles" is probably too dramatic a metaphor, but it is a disturbing aspect of the world economic scene. Major borrowers find themselves with interest payments on external debt equal to 30-40 percent of export earnings. While the lending banks have reduced their vulnerability here, widespread defaults would pose serious problems for the U.S. banking system.

Paradoxically, Black Monday may have improved prospects for dealing with these multiple imbalances. It nudged the President and the Congress to work out a deficit-reduction package. Europe seems to be showing some recognition of the disturbances its own stagnation has imposed, with some tentative and timid steps towards expansion. The new industrial countries are beginning to be more aware that they must act more like the big boys on the block that they now are.

Quoting from John Haywood's *Proverbs* (the first compendium of English colloquial sayings, compiled four centuries ago): Perhaps even Black Monday is not "An ill winde that blowth no man to good."

* "Global Growth and Adjustment at Risk," in *World Financial Markets*, Morgan Guaranty Trust Company of New York, September-October, 1987, p.5.

International Business Programs at the University of South Carolina

Jeffrey S. Arpan

Identifying hallmarks of any successful endeavor involves certain subjective assessments, not the least of which is the criteria utilized for defining and measuring "success." In analyzing international business programs, several measures of success are probably appropriate. On the "output" side, success measures should include (1) the record of placement and career advancement of the program's graduates, and their positions of responsibility; (2) the longevity, size, and growth of the program; (3) program excellence rankings by academic peers and the business community; (4) the degree of value-added by the program to graduates' income stream and quality of life; and (5) significant contributions to international business made by program graduates and their faculty. In turn, these "output" measures of success typically depend on several key "inputs": (1) a truly internationalized curriculum, (2) a close working relationship with the international business community; (3) a faculty with significant international business interests, expertise, and commitment, (4) administrators with strong commitment to international business education, and (5) an ability to attract top quality students.

Taken collectively, these output and input criteria constitute what I consider to be hallmarks of successful international business programs. The remainder of this paper elaborates upon these criteria and provides illustrative examples from what is widely considered a very successful international business program, the Master of International Business Studies (MIBS) program at the University of South Carolina.

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OUTPUT MEASURES

Placement, Advancement, and Responsibilities

Any successful program must meet the "market test" for its graduates. In this sense, its graduates must initially find employment, advance professionally, and ultimately hold positions of major responsibility. Successful international business programs are no exception. Their graduates should be employed by companies that utilize the graduates' international expertise and outlook—if not initially, at least ultimately.

Judging by the placement record of the MIBS program, it appears to be meeting the market test. More than three-fourths of USC's 1,000 MIBS graduates are working directly in international business capacities in the U.S. or abroad despite the fact that the first students graduated just eleven years ago.

Longevity, Size, and Growth

If an academic program is good, it should stand the test of time and grow in size commensurate with demand. Therefore, given the growth in international business, we would expect good international business programs to increase in number and size.

During the past decade, international business education has proliferated, but still only a very small number of institutions have established international business degree programs. The MIBS program began in 1974 with 35 students, and now has over 250 students and nearly 1,000 alumni.

Rankings of Program Excellence

If a program is excellent, it should be widely recognized as such, either by academic peers or the business community, or both. While the business community has never ranked international business programs in a formal survey, the academic community has. And in two separate surveys of members of the Academy of International Business, done five years apart, a handful of programs continue to be ranked highly, and the MIBS program was ranked one of the top two in both surveys.

Degree of Value Added

One expects a masters degree in business to increase the graduates' income stream. Therefore, the best programs should significantly increase those streams. In this respect, international business programs that take students with little or no previous business education or experience probably provide the greatest value-added. This has certainly been the experience of graduates of

USC's MIBS program who entered with undergraduate degrees in humanities (e.g., foreign languages, sociology) and had had little to no success in finding employment paying more than $15,000 per year, but graduated from MIBS to take positions immediately paying two to three times that amount with lifetime earnings streams many times of what they would have had otherwise.

Contributions to International Business

Finally, successful international business programs should have faculties and graduates who make significant contributions to international business: the former through international business research and educational programs; the latter through conducting business in a global environment more efficiently and effectively. Faculty research should be of benefit to the academic, business, and government sectors, increasing these sectors' knowledge and understanding of international business and its many impacts. Good firsthand research activities also improve the quality and relevance of what faculty teach. The top- ranked international programs such as that at USC are known for the quality and quantity of their faculty's international business research.

It is more difficult to measure the contribution of graduates. One measure is the number who are in charge of successful international businesses or international operations of large companies. However, many other graduates' efforts/contributions may not be as readily apparent. For example, they may be successfully conducting foreign exchange swaps or making astute international purchases that are not visible to the general public. In fact, these less visible contributions are undoubtedly greater in number than the more visible ones, and clearly influence the latter.

INPUT MEASURES

A Truly Internationalized Curriculum

There is no question that today's business school curricula contain substantially more international content than those of only a decade ago. However, most curricula only provide a brief and limited exposure to the many facets of international business. Less than a dozen offer a specialized degree in international business at the graduate level, and only two require foreign language training and an overseas internship. (USC's MIBS program and the new joint MBA/MA program at the University of Pennsylvania.

The degree of curriculum internationalization typically reflects the objective of internationalization. At the maximum level, the objective is to equip students with the specific skills needed to successfully operate in a global setting. Meet-

ing this objective requires more than just equipping students with the technical business skills taught in traditional business curriculum. It also includes foreign language training, area studies, cross-cultural interaction skills, and international experiences. In these respects, the MIBS program probably represents the most comprehensive and intensive internationalized curriculum in existence.

American students in the MIBS 24-month programs (French, German, Spanish, and Portuguese tracks) spend their first summer in intensive language training, then during the fall and spring semesters take a highly intensive, highly internationalized MBA curriculum, while continuing their language training. During the second summer, they take an intensive course on geography, political systems, and culture of either Western Europe or Latin America, then have five weeks of further language training at one of the MIBS-affiliated universities in Belgium, Brazil, France, Germany, or Colombia, focusing particularly on business terminology. After that, they intern for six months in a company in Latin America or Western Europe, then return to USC in February for an international business policy course and two specialized international business seminars of their choice from an array of more than a dozen offered. Students who are not US citizens follow the same schedule, but improve their English skills in the first summer, study the U.S. in the second summer, and intern in the U.S.

An even more torturous MIBS program exists for students in the Arabic and Japanese tracks. In these 36-month long programs, these students spend a full year at MIBS-affiliated universities in Egypt or Japan before beginning and completing their internships and returning to USC for their final course work!

Close Working Relationships with the Business Community

Successful business degree programs have a close working relationship with the business community. While placement of graduates is an obvious connection, corporate involvement is increasingly important in terms of providing financial support to schools of business and specific degree programs, as well as providing appropriate speakers and field study/internship experiences to students and faculty. In addition, corporate interaction with a business school also facilitates faculty research of an applied nature, and can provide additional input concerning curriculum matters.

From the initial planning stages and throughout its existence, the MIBS program has had substantial interaction with the business community throughout the world. The South Carolina business community provided substantial funding for the MIBS program during its formative years, and the global business community has provided nearly 1,000 internships, internship stipends, and full-time employment to MIBS students since 1974.

The MIBS program's annual interaction with its advisory board, more than a hundred internship companies, and many other companies is a major reason

for its success. It has also clearly facilitated faculty research of an empirical nature and the successful offering of management education programs by the College of Business Administration.

Faculty

Any successful international business program must have a critical mass of faculty trained in, and committed to, international business. Ideally, tenure-track positions in international business should exist to permit faculty to devote most, if not all, of their teaching and research activities to the field of international business. Otherwise, internationally oriented faculty feel pressured to devote a significant portion of their activities to noninternational activities in order to meet the promotion and tenure criteria of a functional department (e.g., marketing, finance) that is largely domestic in focus.

At USC, there are currently eleven tenure-track faculties in international business housed in the international business program area, one of the largest international business tenure tracks in the world. In addition, the College of Business Administration's annual faculty performance evaluation system has as one of its components the internationalization activities of all faculty members, e.g., what have they done during the year to internationalize their courses, research, and themselves.

Due to the multidisciplinary nature of the MIBS curriculum, there must also be a large cadre of internationally oriented faculty in other colleges of the university, such as those in foreign languages, international studies, and geography. Their activities related to the MIBS program are also an integral part of their annual performance evaluations and of their suitability for tenure and promotion.

Administrators

No matter how committed a faculty group may be to international business, it's unlikely they'll stay at an institution that is not explicitly committed to international business. Therefore, to have a successful international business program, the key administrators must bring together and keep together international business-oriented facility, be supportive of international business programs, and keep the internationalization of faculty and curriculum a high priority. The rise, growth, and decline of many international business programs can be attributed to a major extent to administrative changes.

At USC, the current dean was solidly supportive of the establishment of the MIBS program more than fifteen years ago, and remains even more so today. The current president of USC also recognizes its value and is one of its most avid promoters. Even deans of the other colleges take pride in the MIBS program and often find it easier to attract internationally oriented faculty to their

colleges because of the MIBS program's reputation. In fact, without the support and commitment of key administrators throughout USC, the multidisciplinary nature of the MIBS program would never have resulted nor operate as successfully as it does.

Quality Students

Yet no matter how strong all the above mentioned inputs are, successful international business programs are dependent on attracting top quality students. Big numbers are not enough to ensure a high quality program. The students themselves should add a quality dimension to the program in terms of diversity of backgrounds and interests, their ability to intellectually stimulate each other, and to otherwise contribute to the quality of the program. In these regards, students should have strong academic credentials, represent a wide variety of undergraduate schools, majors, and geographic areas, have demonstrated leadership skills, and show some evidence of "international commitment."

Students in the MIBS program are selected on these kinds of criteria. A "typical" entering MIBS class has the following characteristics: 60% male, 40% female; 75% U.S. citizens, 25% non-U.S.; more than 50% have degrees in humanities, and roughly 25% in business and 15% in engineering and science; undergraduate GPAs of 3.3 (out of 4.0 maximum) and average GMAT scores of 575; and average work experience of two years. More than a dozen countries and 35 U.S. states are represented, and the vast majority of students have had some international travel and some internationally related courses.

Summary and Conclusions

Any successful international business program should meet several different measures of success of both an input and output variety. As with any "measure of success" there is ample room for disagreement, and valid "exceptions to the rule" if such a rule exists. However, this paper should provide a reasoned "point of departure" for analyzing the success of any international business program that seeks to provide young men and women with the necessary outlook and skills for a successful professional career in an increasingly global context. While there is an obvious and critical need in the United States for such people, as a nation we must be careful to make sure that international business education is done properly. Otherwise, a lot of time, effort, and money will be wasted, and we cannot afford additional waste.

Thunderbird: A Pioneer in International Business Education

Marshall Geer

Successful international business programs theoretically can be created at many educational levels—associate, baccalaureate, masters, or doctoral. All of the schools represented here are at the masters level; the degree awarded is a terminal professional degree. Some of the specific program aspects may be applicable to other educational levels mentioned, but some are fairly obviously restricted to the type of program represented here.

What constitutes a successful educational program in any context? This is always a difficult question to answer, given that many different educational philosophies are present, and that educational accountability has drawn battle lines between educators and legislators in recent years. Since Thunderbird is represented here as a successful international business program, the criteria by which that argument is being made should be established.

1. As stipulated by North Central, Thunderbird has formally adopted and made public its statement of mission: "To provide an academically rigorous and pragmatically relevant Master's degree program in international management" (*Thunderbird Bulletin*, p. iii).
2. Given the very specific mission, success should be measured against the mission by the longevity of the program; the numbers of graduates; the activities (employment) of the graduates; the location of the graduates; the recognition of the school by peers; the ability of the school to attract students, employers, and faculty; the ability to obtain financial support from outside sources; and successful accreditation of its program(s).

Marshall Geer is Vice President for Academic Affairs at the American Graduate School of International Management (widely known as "Thunderbird") in Glendale, Arizona.

Thunderbird began operations in 1946 as the American Institute for Foreign Trade (AIFT) and operated under that name for 22 years. The name was changed to Thunderbird Graduate School of International Management in 1968, then to the present name—Thunderbird—in 1974. Since 1946, more than 20,000 students have graduated from its credit programs, earning degrees titled Bachelor of Foreign Trade, Master of Foreign Trade, Bachelor of International Management, and (currently) Master of International Management (MIM). The top three employers of Thunderbird graduates are all banks: Citicorp, 175; BankAmerica Corp, 109; and Chase Manhattan Corp, 96. Twenty-three percent of the 1987 graduating class had initial employment outside the United States, while about one-third of the alumni are currently located overseas. The first class in 1946 enrolled 285 students; the fall semester of 1987 showed an overall enrollment of 1,073. The Office of Admissions and Records processed more than 22,000 enrollment inquiries during the latest academic reporting year, up from half that number a decade ago.

Corporate recognition and reputation can be documented by the number of employers attracted to the relatively remote campus in Glendale, Arizona. In 1987, 244 companies visited the campus, generating 353 interview schedules and 2,809 student interviews. Academic reputation has been documented by several surveys and studies: Ball and McCullough in the *Journal of International Business Studies* (JIBS), Spring/Summer 1984; Nehrt in the *Journal of International Business Studies*, Fall 1987; and *U.S. News and World Report*, November 2, 1987. Thunderbird has received more than two million dollars annually in contributions towards its operating and capital budgets in recent years from corporations, trustees, and alumni.

Thunderbird is accredited by the regional accreditation agency, North Central, but it has not yet sought accreditation by the professional accreditation agency, the American Assembly of Collegiate Schools of Business (AACSB). It is a member of various organizations, including the AACSB, the Council on International Educational Exchange, the Association of International Educational Administrators, and the Western Association of Graduate Schools.

Accepting then that Thunderbird is a successful international business program, what features of its program constitute "hallmarks," where, as defined by Webster, a hallmark is "a distinguishing characteristic, trait, or feature"? Actually, the Thunderbird admissions office has analyzed the Thunderbird program and comparable undergraduate and graduate programs with the respect to several readily identifiable characteristics: curriculum, internships, and exchange programs. (Note: Nehrt, 1987 lists some 18 factors in determining his ranking of international business masters programs.)

Curriculum

From the outset, Thunderbird has offered a "tripartite" curriculum, with required course work in three areas: language, international studies, and international business. The total number of semester hours required for the degree, and the proportion of the total spent on each area has, of course, varied considerably as the field of international business education has evolved over the last forty years. The curriculum described here represents the latest version of the "Thunderbird Model."

	Basic Level	Advanced Level	Total
International Studies	3	9	12
Language	6	9	15
Business	21	15	36
Total	30	33	63

There are some additional general considerations. At each level, some of the requirements may be waived by demonstration of previous coverage. Regardless of waivers, a student must complete at least 42 semester hours, 30 of which must be at advanced level, and 24 hours of which must be taken at the Glendale campus.

Language Requirement

The objective of the Department of Modern Languages is to assure that every graduate of Thunderbird has attained a specific minimum level of oral competency in one of the seven languages offered. Thunderbird regards foreign language proficiency as fundamental to an international business education, although the 1987 survey in JIBS showed only 20 percent of the masters programs required a foreign language and a 1984 JIBS survey showed that only 23 percent of undergraduate programs had a foreign language requirement. The Thunderbird requirement is an exit proficiency of approximately 2 or 2+ on the ACTFL scale, plus a knowledge of business terminology. There is no admissions requirement; students with previous language training are encouraged to attempt to waive part or all of the language requirement with an oral proficiency examination designed and administered by Thunderbird. Students with the required level of oral proficiency may also take a written examination covering business terms and vocabulary. (Foreign students who are not native speakers of English must submit a TOEFL score of at least 450 for admission. Upon enrollment, a three-hour English placement battery—MTELP, MTAC, an oral interview, and a writing sample—is mandatory, regardless of TOEFL score.)

The basic language sequence consists of three semesters of courses, totalling approximately 270 contact hours of instruction. Average class size is under eight students; the instructional methodology is audio-lingual, with business vocabulary throughout the sequence. All faculty have native proficiency. For students who arrive with sufficient oral/aural skills to pass the placement test at the exit level, a special business language course is required. Advanced business elective courses are available.

International Studies Requirement

The objective of the Department of International Studies is to assure that each graduate of Thunderbird has been educated in the fundamentals of international politics, economics, and geography, and has sufficient cultural sensitivity to function effectively in a multinational, multicultural environment. The department has structured its curriculum to meet that objective by requiring that each student demonstrate basic familiarity with the fundamentals of international affairs either by successfully completing the Fundamentals Course (3 semester hours) or by passing the International Studies Advanced Placement Examination. This course, or its waiver by examination, is a prerequisite for the required Business Environment courses (Asia, Latin America, Europe, Middle East, Africa). One of these three-semester-hour courses must be taken or waived by every student. Waivers are granted on the basis of appropriate course work taken at either the undergraduate or graduate level with a grade B or better; normally at least three disciplines on a specific area would be essential to obtain a waiver.

Beyond these core requirements, students must undertake another two courses, which can be either on a specific regional track or can be topical, with a wide variety of courses. This work can either be done in lecture classes or at the advanced seminar level.

Business Skills

The objectives of the Department of World Business are to assure that each graduate has the basic business functional skills expected of students who have completed a masters program in business and also has the special skills of a graduate of a program specializing in international management education. The courses are offered at three levels.

The seven Foundation Core courses, totalling 21 semester hours, are introductory business courses in accounting, economics, finance, statistics, computers, marketing, and management. Students who have completed appropriate work prior to matriculation with a grade of B or better may be exempted from these courses; students may also challenge them by examination.

Five Core courses beyond the Foundation are required, but students are given several options. Most of these courses are international in the fields of economics, finance, marketing, management, and market research. These courses may also be waived if the student has had an appropriate course elsewhere with a grade of B or better.

Regardless of waivers, all students must take at least five courses in this department. Most students take three or four elective courses to build marketable skills in a specific business field. Many of the advanced level electives include computer simulations and exercises, or presentations to companies on problems they have submitted. An outstanding level of the latter is the International Advertising Presentation, since the presentations incorporate all aspects of the curriculum and are judged by a panel of account executives.

Internships

The educational value of the internship that requires the student to use the language, cross cultural, and business skills learned in the classroom or in the practical work environment is clear. Thunderbird offers two types of internships: parallel and alternating. The academic requirements for the Thunderbird Graduate Management Internship (TGMI) were established by action of the Faculty Senate, but the internship program is operated by the Career Services Center. The TGMI is an elective credit for the student. Since Thunderbird graduates around 850 MIM recipients each academic year, it is not practical to attempt to provide an internship experience for all students. The intention of the school, as expressed in its current long-range plan, is to provide 300-350 internships per year. This number is designed to provide an internship to that part of the student population that has not had significant work experience prior to enrollment at Thunderbird.

Exchange Programs

The objective of the exchange or overseas programs is to provide intensive language and cultural exposure with the opportunity for firsthand investigation of business conditions and functions. Approximately 65 percent of Thunderbird's students have had a previous educational or living experience overseas. (*Note*: This does not refer to the 30 percent of the student population that is of foreign citizenship.) The linkages with overseas educational institutions also involve faculty exchanges, which provide for professional development opportunities for Thunderbird faculty. Approximately 12 faculty and 150 students participate in the overseas exchanges each year.

Thunderbird currently offers its students the opportunity to participate in overseas programs in France, the Federal Republic of Germany, Norway,

Spain, Mexico, Costa Rica, Japan, and the People's Republic of China. Negotiations are in progress to establish additional programs in South Korea, Italy, England, and Egypt. Informal arrangements exist with institutions in Finland and Taiwan. Many of the foreign programs are designed to lead into a subsequent internship experience.

Conclusion

The key hallmark of the Thunderbird success story can be summarized as flexible integration of the curriculum with internship and exchange experience. Over the more than 40 years of its existence, Thunderbird has developed a curriculum which brings together skills in language, international studies, and business. To this are added opportunities to test and further develop those skills through placement in internships and overseas exchange programs. This formula has proved to be one which leads to success.

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International Business Education at the Lauder Institute

Jerry Wind

The increasing interdependency among countries, the emergence of global industries characterized by global customer and resource markets, and global competitors at home and abroad are the undeniable realities of our times.

These realities have major implications for the prerequisite skills, values, and attitudes of tomorrow's corporate leaders. A manager in the turbulent global environment must not only be a skilled professional. He or she must also carry a deep realization of cultural diversity, be sensitive to wider social, economic, and political environments, and have the capacity to adjust their strategies accordingly.

For such sensibilities, an internationalized management education supplemented with proficiency in at least one foreign language and understanding of, or familiarity with, at least one other area of the world as well as key international institutions and practices is a must.

Unfortunately, most management education programs are still domestic in their orientation. This must be corrected if we are to restore U.S. global competitiveness and improve our understanding of business interactions among nations. One major effort toward the development of internationalized management education was initiated in October 1983 with the creation of the Joseph H. Lauder Institute of Management and International Studies. The Institute was established at the University of Pennsylvania as a result of the generosity and vision of the Lauder family.

The purpose of this note is to briefly describe the Institute's mission, strategy and program, and highlight the response it has received, the impact it has had, and briefly outline the Institute's agenda for the future.

Jerry Wind is the founding director of the Joseph H. Lauder Institute of Management and International Studies at the University of Pennsylvania.

The Institute's Mission

The mission of the Joseph H. Lauder Institute of Management and International Studies, a joint program of The Wharton School and The School of Arts and Sciences, is to prepare future business leaders who can operate effectively and comfortably in a language and cultural environment other than their own. The Institute aspires to achieve this goal by offering the best internationalized management education program with a strong grounding in language skills, cultural awareness and international understanding.

The Strategy

To achieve the mission, a four phase strategy was designed:

1. *Developing a specialized interdisciplinary dual degree MBA/MA program.* The program centers on the following key characteristics:
   - internationalized MBA courses
   - language proficiency in one of nine languages (Spanish, Portuguese, French, German, Russian, Japanese, Chinese, Hindi, and English for non-U.S. students)
   - cultural sensitivity and area studies focusing on East Asia, South Asia, Western Europe, Eastern Europe and the Soviet Union, Latin America, and the United States for non-U.S. students
   - a comparative and international perspective
   - twenty-five percent of program time spent abroad--one summer in a language and cultural program and one summer in an executive internship
   - integrating the academic disciplines with a "real world" orientation through visits to campus by members of the board, internships, and projects
   - a broad set of extracurricular activities designed to enhance the students' "Renaissance perspective"
2. *Using the MBA/MA program as a laboratory for the internationalization of Wharton.* To leverage the impact of the program, we viewed it from its inception as a laboratory for the internationalization of the Wharton School. This provides a multiplier effect by impacting not only the 100 Lauder students, but also the other 1,400 Wharton MBA students and the faculty who could, in turn, through their research and teaching, help internationalize the undergraduate, Ph.D., and executive development

programs of the school.

3. *Using the MBA/MA program as a lab for the development of professional level language proficiency and cultural understanding programs.* The experience gained in the development of the Institute's language and cultural program can help establish proficiency-based language instruction and also be transferred to other professional schools such as engineering, medicine, and law.
4. *Using the MBA/MA program as a stimulant to the development of new areas of study.* In the process of developing an internationalized management program, we discovered a number of "gaps" in our knowledge and offerings. In this respect, the institute serves as a stimulant for the development of these areas, including international negotiations, integrated business policy and area studies, international technology transfer and management, etc.

The Response

The response to the program by our various constituencies has been most encouraging.

1. Student demand for the program has consistently risen—from slightly over 1,000 inquiries and 225 applications for our first class in 1984, to over 3,200 inquiries and 425 applications for our fourth class in 1987. The increase in the pool of applicants for the 50 positions has also been accompanied with an improvement in the quality and diversity of applicants. This has allowed for a better distribution among the nine languages and applicants' undergraduate and work experience.
2. Faculty involvement has also increased. We now have over 80 faculty members from Wharton and the School of Arts and Sciences who are regularly involved in our programs.
3. Corporations both from the U.S. and abroad have been strong supporters since the inception of the program. This corporate support encompasses:
    - active participation by members of our Board of Governors, which includes more than 20 exceptional individuals who lead some of the most successful and innovative multinational firms around the world
    - sending applicants or providing financial support for our students
    - providing opportunities for meaningful summer internships, which are of benefit to both the students and firm. (To date, we have had

three classes that were placed in executive internships in more than 80 companies in 20 countries

- providing placement, including a significant number of international positions, to our graduates
- facilitating corporate visits and presentations as well as opportunities for class projects.

4. The innovative nature of the Institute, its program, and its graduates has been receiving wide media coverage around the world. This coverage has centered on the Institute solution as an educational solution to increased global competitiveness.

The Impact

The Institute, despite its youth—now in its fifth year of operation—has had a significant impact both on the University of Pennsylvania and the broader academic and business community as well as the public policy area.

Internally, it has played a major role in the internationalization of the Wharton faculty, the development of close ties between the faculty from the School of Arts and Sciences and Wharton, and the development of an interdisciplinary internationalized curriculum. It has also greatly contributed to the internationalization of the Penn campus.

Externally, the Institute's major impact is through its graduates (100 as of November 1987), the other Wharton graduates who benefited by their contact and interaction with our students and offerings, and the nearly 200 corporations associated with the Institute. In addition, an increasing number of universities in the U.S. and abroad are considering the development of similar programs.

At the national level, our efforts to internationalize the curriculum have been recognized by the Department of Education (under Title VI), which established the Lauder program as the core of the first National Resource Center in International Management Studies. In addition, the authors of Senate Bill No. 406 (International Education for a Competitive America Act of 1987) consider our program as a national model and one of the educational solutions to the U.S. competitiveness problem.

The Challenges Facing Us

The program has been going through continuous evaluation and refinement. Our courses have been modified, and new courses and offerings added. This evolution is expected to continue. In addition, we see a five-pronged development agenda:

1. *Curriculum development.* The program requires continual refinement and improvement, especially in the three critical research and curriculum areas of: (a) internationalization of the management program, (b) language and culture for management, including the further development of our efforts to teach substantive social science and management topics in the various languages, and (c) better integration of the management disciplines with the social sciences, humanities, and languages. All of these efforts require a significant research program.
2. *Concept extension.* Provide a continual stimulant for the development of similar programs as part of the other degree and non-degree management programs, including international executive education, Ph.D., and undergraduate. In addition, the concept of the Lauder Institute is applicable to other professional schools. The School of Engineering at Penn is, for example, considering such a program. Other professional schools such as law and medicine can also benefit from a Lauder-type program.
3. *Financial aid to students.* To be effective, our program or any similar program which includes a mix of U.S. and non-U.S citizens (ours is one third non-U.S.) would require the offering of financial support for both U.S. and non-U.S. citizens. To date, non-U.S. students are not eligible for financial aid; if we are to attract the best and brightest non-U.S. citizens who are likely to be the business leaders of tomorrow, offering them financial aid is essential.
4. *Development of a new internationalized career path within the companies.* Most firms prefer to hire local nationals to fill management positions in foreign locations. This is more attractive economically and was the right decision when the typical American executive was not familiar with the local culture, institutions, and language. The result of this practice has been that most U.S. multinationals do not recruit MBAs for international positions. Yet, given that our graduates are proficient in the local language, and familiar with the country in which they worked and lived before, new career paths should be considered whereby our graduates are placed in meaningful international positions. Such revised practices would be of great long-term benefit to the companies since it would lead to the development of managers with relevant international experience, thus overcoming the danger faced by any firm that relies exclusively on local managers—the emergence of a U.S. top management with no relevant international expertise.
5. *Further dissemination of the program concept.* The Institute's concept has major implications to the feeding schools in terms of the required un-

dergraduate and high school language, humanities, and social studies courses. In addition, dissemination of our experience and teaching material to other universities in the U.S. and abroad is a must if we are to have a wider impact on the internationalization of management education.

It is our hope that the Lauder Institute's efforts to prepare the business leaders of tomorrow will continue to contribute to the advancement of international management education and practice and serve as a role model to other such institutional programs.

Appendix:

Occasional Papers on International Educational Exchange

Guidelines for Submission of Papers

The occasional papers series of the Council on International Educational Exchange (CIEE) contains noteworthy scholarship and serves as a forum for the dissemination of provocative thinking in the field of international educational exchange. The papers address issues of interest to academics and professionals involved with all aspects of international education.

The Occasional Papers on International Educational Exchange consist of two series:

» The **Research Series** makes available contributions to scholarly research in the field of international education; any competent research methodology—whether historical, analytical, or experimental—may serve as the basis of the research reported.

» The **Forum Series** focuses on contributions to the development of new or existing ideas in the field of international education; papers may be texts of speeches, essays, or descriptions of projects, and should reflect the ideas or experiences of practitioners in international education.

Submission of Manuscripts

The Council invites researchers and practitioners to submit manuscripts for possible publication as an Occasional Paper on International Educational Exchange in either the Forum or the Research Series. Manuscripts should follow the guidelines below:

1. Three copies of a typed, double-spaced manuscript should be submitted. If return of the manuscript is requested, a stamped, self-addressed envelope must be included.
2. The manuscript should include a title page (with the name and address of the author, date of submission, and the number of pages submitted) and a one-page abstract or outline of the paper, summarizing the salient points of the submission.
3. Manuscript pages should be numbered sequentially (excluding the title page). Numbering should include appendices and bibliography.
4. The length of the manuscript should generally be at least ten typed pages and no more than fifty pages.
5. The paper should be accompanied by appendices and a bibliography, as appropriate.
6. The manuscript should follow the basic style outlined in a recognized style book, such as *The Modern Language Association Style Sheet, Publica-*

tion Manual of the American Psychological Association, or *The Chicago Manual of Style*.

Mail manuscript submissions to: Maryélise and Sterling Lamet, Editors, CIEE Occasional Papers, International Programs Office, University of Massachusetts, Amherst, MA 01003.

Review and Selection Process

Upon receipt of a manuscript, the editor of the Occasional Papers on International Educational Exchange appoints appropriate reviewers, who remain anonymous to the author. The recommendations generated by the reviewers are made available to the editor and the Editorial Board, and to the author, by request. The editor, in consultation with the Editorial Board, reaches a decision regarding the publication of a manuscript. If a decision is made to publish a manuscript, the editor, in consultation with the author, edits the manuscript and determines the format of the final publication.

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